

Board of County Commissioners Agenda Request

Date of Meeting: September 20, 2005
Date Submitted: September 14, 2005
To: Honorable Chairman and Members of the Board
From: Parwez Alam, County Administrator
Lillian Bennett, Director of Human Resources
Subject: Status Report on New Performance Appraisal System

Statement of Issue:

This item provides a status report on the new performance appraisal system for career service and executive support employees.

Background:

Since 1996, employees in the Board of County Commissioners organization have used a performance appraisal system that lists specific job tasks and standards. Job tasks are rated using the scores of "below expectations (0)", "meets expectations (1)", "exceeds expectations (2)", and "outstanding (3)." The task ratings are then averaged to get the overall score. Following are the current overall score categories:

Table 1
Current Performance Appraisal System Score Categories

| Score Category | Range |
|----------------------|-------------|
| Below Expectations | 0 - .99 |
| Meets Expectations | 1.00 - 1.99 |
| Exceeds Expectations | 2.00 - 2.79 |
| Outstanding | 2.80 - 3.00 |

Corrective employee action plans are required for all employees with task ratings below 1.00. These plans are monitored during the appraisal year to ensure performance improvement. Until July 1, 2005, this system was used for all full-time Board employees. Beginning July 1, senior management employees are appraised on the basis of program and professional accomplishments using a less formal system.

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For career service employees, the overall scores are used to determine eligibility for merit pay bonuses. Employees who score at least 2.00 on the performance appraisal have been awarded merit increase bonuses since 1997. Career service employees with scores in the range, 2.00-2.79 received \$400 and those in the range, 2.80-3.00 received \$600 bonuses. A review of appraisal ratings from April 1, 2004 to March 30, 2005, revealed that seventy-one percent of career service employees met the requirement for merit pay. That percentage included 336 in the "exceeds" category and 44 in the "outstanding" category.

Analysis:

Reviews of the current employee performance appraisal system revealed at least the following shortcomings:

- All tasks were assigned equal weight.
- Supervisory/managerial skills were often not measured.
- Organization core values were not measured.
- Standards were not tied to job descriptions.

New Appraisal System. To address the above issues, a work team studied various approaches to employee performance evaluation. On October 1, 2005, a new system which incorporates many of the team findings and addresses the aforementioned shortcomings will be instituted for career service and executive support employees. The new system (see form at attachment #1) will incorporate the following content:

- Common rating factors.
- Common factors for supervisors and program managers.
- Assigned weights for all measures.
- Flexible major functions tied to specific jobs.
- Connections between major functions and job descriptions.
- Connections between core values and common rating factors.

As of February 2006, the new system will be totally web-based and generate very little paper. Managers will rate employees online and approve ratings via the use of electronic signatures. Employees will view appraisals online and add online comments, as desired. Paper copies may be printed but will not be required (except for employees who do not have online access). In the interim, 10/1/05 – 1/31/05, managers will use an EXCEL paper form that will have all of the content characteristics mentioned in the listing above but will be transmitted via hard copy.

All employees will have consistent measures on factors such as communications, initiative and dependability. All supervisors and managers will be rated on standard management measures. The common factors will not vary. However, divisions will have the flexibility of adding major functions

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that are tied to specific jobs. The divisions may weight these functions as desired on a scale of 1 to 5, with 5 indicating that the function is essential to the performance of the job.

Individual factors and functions will be rated using "unacceptable (0)", "development needed (1)", "fully competent (2)", or "excelling (3)." The overall score of the appraisal will be a weighted average. The overall score categories for the new system are as follows:

Table 2
New Performance Appraisal System Score Categories

| Score Category | Range |
|--------------------|-------------|
| Unacceptable | 0 - .99 |
| Development Needed | 1.00 - 1.99 |
| Fully Competent | 2.00 - 2.79 |
| Excelling | 2.80 - 3.00 |

Merit Pay 2006. For the April 2006 Merit Pay, eligibility will be based on the current performance appraisal system scores for some employees and on the new system scores for others. Because of the change in definitions for the new system, the "fully competent" range will include both employees who scored 1.00 – 1.99 and who scored 2.00 – 2.79 under the current system. Therefore, for this transitional period, employees with 1.00 – 1.99 under the current system and employees who score 2.00 – 3.00 under the new system will both be eligible for merit. This inclusion will significantly increase the number of persons receiving merit pay. In recent years, persons with scores of 2.00 – 2.79 received \$400 bonuses and those with scores of 2.80 – 3.00 received \$600 bonuses. With the increased numbers, the total projected cost for \$400 and \$600 would be \$219,600, up from the \$149,466 expended in April 2005. To limit the increase in costs, the Merit Pay bonus could be reduced to \$300 for all recipients. At \$300 per recipient, the total costs would not exceed \$160,200.

Performance Bonus Proposal. The merit pay bonus has been budgeted for FY 2005-06. The agenda item for that bonus will be presented in April 2006. It is proposed that a performance bonus replace the merit pay bonus after April 2006. The new bonus would be for noteworthy service in providing work unit services, accomplishing work unit goals or outstanding service to citizens. The pool for selecting recipients of this bonus would be career service and executive support employees who had overall scores in the "excelling" category. Each department would select recipients from those nominated by divisions. Each department would have a prorated share of available funds and would have the flexibility of distributing the funds. This proposal will be presented for funding in the FY 2006-07 budget.

Pay for Performance Proposal. In reviewing the large number of employees who received merit pay bonuses, it appeared that, in addition to rewarding outstanding exemplary accomplishment, employee pay should reflect performance. For the FY 2006-07 budget, a proposal will be presented

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to tie employee performance to employee pay. For career service and executive service employees, the proposal may be as follows:

Table 3
Proposed Pay for Performance Increase, 10/1/06

| Rating Category | Rating Range | Proposed Pay Increase 10/1/06 |
|--------------------|--------------|---|
| Unacceptable | 0.00 - .99 | No pay increase; usually, employee would not be retained |
| Development needed | 1.00 - 1.99 | Cost of living increase |
| Fully competent | 2.00 - 2.79 | Increase voted by the Board to exceed the cost of living increase |
| Excelling | 2.80 - 3.00 | |

Options:

1. Accept the report
2. Reject the report.

Recommendation:

Option #1.

Attachments:

1. Employee Performance Appraisal System Form

[Initials PA/LB/JW/jw]



Leon County Employee Performance Appraisal Form

APPRAISAL PERIOD

Beginning Date:

#DIV/0!

Ending Date:

#DIV/0!

OVERALL APPRAISAL RATING

Please complete boxed areas only. Questions? Call HR (487-2220) or review handbook.

EMPLOYEE INFORMATION

Last Name

First Name

M.I.

POSITION #

Title

ID #

WORKPLACE INFORMATION

Department

Division

Program

REVIEW TYPE

New

Standards

Probationary/Trial

Midpoint

Annual

Classification Change

Special

Separation

Standards were last modified:

date

Immediate Supervisor Signature:

Other Supervisor Signature:

Division Director Signature:

Department Director
(or designee) Signature:

Employee Signature:

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COMMENTS BY REVIEWERS

(Required for all Unacceptable (0.00 - .99) and Excelling (2.8 - 3.00) ratings. For Excelling (2.8-3.00) ratings, note specifically what was done above and beyond the requirements of the job. May be used for other rating also.)

COMMENTS BY EMPLOYEE

(Optional)

Attachment #

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EMPLOYEE ACTION PLAN

Include specific projects, performance objectives or training development plans for the next review period. They may be based on new assignments and/or substandard performance.

| Goal to be Achieved/Substandard Performance Addressed (describe) | Action to be Taken | Due Date | Date Completed |
|--|--------------------|----------|----------------|
| <div>6</div> | | | |